

W. 01303A-09-0343  
SW 01303A-09-0343

ORIGINAL



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ARIZONA CORPORATION COMMISSION  
OPEN MEETING AGENDA ITEM RECEIVED  
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: 2010 DEC -1 P 3:52

Fax:

Priority: Respond Within Five Days

AZ CORP COMMISSION  
DOCKET CONTROL

Opinion No. 2010 91509

Date: 11/29/2010

Complaint Description: 08A Rate Case Items - Opposed  
N/A Not Applicable

First:

Last:

Complaint By: Lynn

Vick

Account Name: Lynn Vick

Arizona Corporation Commission Home: (000) 000-0000

Street: n/a

DOCKETED

Work:

City: Phoenix

DEC 1 2010

CBR:

State: AZ Zip: 85086

is: E-Mail

DOCKETED BY

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone: (623) 815-3109

Nature of Complaint:

11/20 DOCKET NO. W 01303A 09 0343 SW 01303A 09 0343 OPPOSED RATES ANTHEM  
REFERRED FROM OFFICES OF CHAIRMAN MAYES CC'D TO ALL COMMISSIONERS

From: lynnbrendavick [mailto:

Sent: Friday, November 05, 2010 11:07 AM

To: Mayes-WebEmail; Stump-Web; Pierce-Web; Newman-Web; Kennedy-Web

Cc: Director Jodi Jerich, Esq; Utilities Div - Mailbox

Subject: Anthem Water Rate Case Questions - Docket No. W-01303A-09-0343, SW-01303A-09-0343

Dear Commissioners,

I have been reading much of the docketed information regarding the current Anthem water and wastewater rate case, but there are still several questions in my mind which I don't think have been properly addressed.

- (1) When was the Anthem/Aqua Fria wastewater district consolidated?
- (2) Why was the Anthem/Aqua Fria wastewater district consolidated?
- (3) Will the Anthem/Aqua Fria wastewater district be deconsolidated during the current rate case if consolidation of all water districts is not approved?
- (4) Has the Rate of Return formula been adjusted to reflect the current economic conditions such as unusually low interest rates, etc.?
- (5) Has there been thorough, detailed, and complete research into the unusual financing arrangements between the developer and the utility company (balloon payments totaling about \$53 million)?
- (6) The following information is extracted from an exchange of emails with Mr. Tom Broderick (in red) of AAWC and me (in black) on March 2, 2010: "(2) I would expect that the Anthem water plant and equipment would be a separate and distinct "cost and profit center" within the overall structure of Arizona-American Water. Does Arizona-American Water have separate and independently audited financial statements which are specific to only the Anthem water plant and equipment? No. We have audited financial statements only for Arizona-American and that is partly why the Commission's rate case process is so time consuming as we essentially

## ARIZONA CORPORATION COMMISSION

### UTILITY COMPLAINT FORM

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custom build financial statements for each district when we file a rate case using actual data that requires allocations and Commission Staff and RUCO essentially audit them."

How does Commission staff and RUCO "audit" custom built financial statements for each district using actual data that requires allocations?

This seems to me to be a very complicated case which requires substantially more thorough research and analysis than is normally required. There seems to me to be some very unusual situations which have not been adequately addressed in the past. I sincerely hope that the Commissioners will take whatever steps are necessary to get all of the information required to make an informed decision which will be fair, reasonable, and just for the Anthem residents.

Sincerely,

Lynn Vick

Anthem, AZ 85086

\*End of Complaint\*

#### Utilities' Response:

#### Investigator's Comments and Disposition:

DOCKETED

\*End of Comments\*

Date Completed: 11/29/2010

Opinion No. 2010 - 91509

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